California MEDICINE

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EDITORIAL

Industrial Medical Fees

THE FIRST OF THIS MONTH the physicians of California began receiving increased fees for treating patients injured in industrial accidents. While most of the items in the industrial fee schedule will remain unchanged, several increases have been approved by the Industrial Accident Commission, principally those dealing with visits in the home, hospital or office.

In addition, several other items have been reworded or clarified to remove ambiguous interpretations.

Copies of the new industrial schedule have been mailed to all C.M.A. members. The insurance industry is supplying its members with additional copies, and other groups are looking out for their own copies. In all, about 30,000 copies have been or soon will be in the hands of physicians, insurance agents and other interested parties throughout the state.

Adoption of the new schedule marks the third upward revision in industrial medical and surgical fees in the past seven years. The former schedule went into effect in the fall of 1954 and the one previous to that became effective late in 1950.

In addition to representing the third fee adjustment in seven years, the new schedule shows the result of some long and arduous committee work in the C.M.A. and the acceptance by the Industrial Accident Commission and the insurance carriers of the principle of periodic reopening of this subject as a means of keeping the schedule up to date.

Prior to the adjustments made in 1950, the course of industrial medical and surgical fees in California presented a rather sorry history. The original schedule was made up in 1912, when the average wage of the workmen covered by the then new industrial insurance laws was estimated at $1,000 a year. On that basis, the fee for a follow-up office visit was set at $1, that being the amount estimated as what the physician would expect to receive from a patient with the same annual income.

In 1921, when wages had risen, the follow-up office visit fee was raised to $1.25, still on the same theory of ability to pay.

Thereafter the fee schedule remained untouched until 1941, when the California Medical Association asked the Industrial Accident Commission to increase fees in the entire schedule. The Commission, at that time a three-man group, held one or two public hearings and took the application under advisement. That procedure is generally enough to kill such an application but the commission went one step further and appointed a ten-man "study committee" which was called upon to look into the entire subject of medical and surgical fees and to bring recommendations back to the commission.

The study committee remained in office for more than four years, during which time it held numerous meetings, all devoted to philosophical discussions of how medical and surgical fees for injured workmen could best be determined. Finally, in 1946, an increased fee schedule was adopted by the commission, the first formal increase in 25 years. This supplanted an increase of 15 per cent which the insurance carriers had voluntarily approved and paid during the war years. While the voluntary increase was welcome to the medical profession, it was adopted on a basis where the carriers had, at all times, the right to withdraw it. The official 1946 fee schedule did away with the wartime voluntary increase and put the fee schedule on a basis where it commanded the official recognition of insurance carriers, physicians and state officials alike.

An unofficial part of the 1946 fee schedule revi-

sion was the agreement between all parties that the entire schedule should be subject to review at biennial periods. This agreement was not written into the schedule or into the official records of the Industrial Accident Commission but it was thoroughly understood by all who participated in the study committee deliberations.

When two years had elapsed after adoption of the 1946 fee schedule revision, there was great reluctance on the part of all but the physicians to reopen the matter. However, the C.M.A. did secure a reopening by filing an application with the Commission for a reconsideration of specified fees. Following long hearings and much discussion, the 1950 version of the schedule emerged as an official document of the commission.

Then followed the 1954 schedule, based upon a specific act of the state Legislature which gave the commission detailed authority to promulgate a fee schedule and to use it as a basis for determining the fairness of medical and surgical fees. This act overcame an objection previously made by commission members that they had no specific legal authority to set medical and surgical fees. Under that objection, fee schedules were approved by the commission only when they represented a joint agreement between the medical profession and the insurance carriers.

The adoption of the new 1957 schedule thus marks the second time that the Industrial Accident Commission has adopted a fee schedule on its own initiative, following public hearings. It also marks the second time that recognition has been given to the 1946 informal agreement relative to reopening the schedule at two-year intervals.

The Committee on Fees, a subcommittee of the Commission on Medical Services, merits the thanks of the entire medical profession for its skilful handling of the fee schedule reopening and its successful conclusion of its case. By its actions the fees for medical and surgical services in industrial accident cases have been brought closer to the norm for general medical and surgical fees in California. Likewise, it is obvious that many physicians who have heretofore avoided industrial cases because of the low level of fees will now see their way clear to accept these cases and provide the services necessary.

The committee is also due our thanks for staying with the problem and securing a periodic reopening of the industrial fee schedule. With such reopenings, it is apparent that industrial fees may be kept in consonance with the economy of the state and in balance with the fees normally expected from the general population. The profession will watch with interest for future considerations on these fees, in the knowledge that the principles now established may be called upon in the years to come.

Letters to the Editor . . .

September 2, 1957

Dear Doctor Wilbur:

After reading the September *Newsletter,* I feel constrained to write my views to you on the question of relations between organized medicine and organized labor. To begin with, the two types of organizations are entirely different, as is readily apparent when one compares the "Four Basic Principles" set forth in the Letter, showing the relations between our organization and its members, with the high-handed, dictatorial manner in which labor unions order their members.

I contend that because of this difference our organization should not negotiate with labor unions at all about anything. Already we are more and more, as individual practitioners, having to deal with and through union offices in caring for our patients, whether for work-connected or other ailments being treated. The thing that this trend will lead to is easy to foresee and too fearful to contemplate. Are we not quite united behind the idea of prepaid medical care based upon the insurance principle, while the unions state unequivocally that they are "unalterably opposed to the insurance principle?" And do not insurance people, with their greater knowledge of the workings of these plans agree with us, that first-dollar coverage is both impractical and uneconomic? Therefore, why should we become involved with unions to our detriment and that of our patients?

As a voluntary organization dedicated to professional betterment and public service, we do not take any stand on political issues. Neither should we feel we have to recognize labor unions just because our government does. It even recognizes Russia!

Yours,

ARTHUR A. MICKEL, M.D.